

IN THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF  
TEXAS SAN ANTONIO DIVISION

IN RE:	§	CASE NO. 23-50779-cag
ARTESIA SPRINGS, LLC,	§	
Debtor	§	CHAPTER 11 PROCEEDING
	§	SUBCHAPTER V

---

ARTESIA SPRINGS, LLC'S STATUS REPORT

TO THE HONORABLE CRAIG A, GARGOTTA, UNITED STATES BANKRUPTCY JUDGE:

Artesia Springs, LLC ("Artesia" or the "Debtor") files this Status Report required by 11 U.S.C. §1188(c) and the Court's Order Establishing Date for Status Hearing [Docket #17] and respectfully states as follows:

1. On June 20<sup>th</sup>, 2023 (the "Petition Date"), Artesia filed a voluntary petition for relief under Subchapter V of Chapter 11 of the Bankruptcy Code, which commenced the Chapter 11 Case titled In Re: Artesia Springs, LLC and currently pending before this Court and assigned case number 23-50779-cag (the "Chapter 11 Case"). Artesia continues to manage and operate its business as a debtor-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108. On June 22<sup>nd</sup>, 2023, Michael Colvard was appointed the Subchapter V Trustee.

2. Pursuant to the Court's Order and Section 1188 of the Bankruptcy Code and in order to describe the Debtor's efforts to attain a consensual plan of reorganization, the Debtor files this status report and, simultaneously herewith, will serve it upon the Subchapter V trustee and all parties in interest.

3. The Debtor is a small business as defined by section 101(51D) and chose to proceed under Subchapter V of Chapter 11 at the time of the filing.

4. The Debtor is a business which offers home and office water delivery throughout the greater San Antonio area as well as bulk water deliveries throughout Texas.

#### Background

5. Artesia began operations in November of 2004 after acquiring a natural artesian water source. Artesia offers home and office delivery throughout the greater San Antonio area as well as bulk water deliveries throughout Texas. Its customers include residences, businesses, oil field supply houses, car dealerships, insurance companies and water stores.

6. In 2020, as the COVID-19 pandemic hit, sales dropped by almost \$750,000. At the same time, Artesia experienced a dramatic increase in raw material costs due to supply chain issues, inflation and fuel cost increases, which it continues to experience to this day.

7. In order to be able to keep operating prior to the bankruptcy filing, Artesia entered into agreements with assorted merchant day lenders, payment of which which ultimately became unsustainable and led to Artesia's bank accounts being frozen and necessitated the initiation of this bankruptcy filing.

8. The 341 meeting occurred on July 28<sup>th</sup>, 2023.

9. There are certain entities that have filed UCCs and purported secured claims against the Debtor. However, the value of the debtor's collateral is less than the total amount of debts, payment of which are secured by security interests that have priority over the alleged secured claims. Therefore, the Debtor believes that these creditors will ultimately be considered unsecured creditors.

10. The Debtor anticipates filing a plan that will allow for the sale of its assets or, alternatively, the sale of equity in the Debtor. The Debtor will propose to pay creditors with

allowed claim pursuant to the provisions of the Bankruptcy Code and should be consensual.

Debtor is confident that its creditors will support its efforts and its plan.

11. Debtor will work with the Subchapter V Trustee on an approach to facilitate the development of its consensual plan of reorganization.

12. Debtor's counsel and/or representative will contact creditors (to the extent they are "impaired" under the Bankruptcy Code) to attempt obtain acceptance of the proposed plan. Where necessary, Debtor will request assistance from the Sub V Trustee on resolving issues with individual creditors that may have claims against the Debtor.

Respectfully submitted on August 1, 2023.

LAW OFFICES OF WILLIAM B. KINGMAN, P.C.  
3511 Broadway  
San Antonio, Texas 78209  
Telephone: (210) 829-1199  
Email: bkingman@kingmanlaw.com

By: /s/ William B. Kingman  
William B. Kingman, State Bar No. 11476200  
PROPOSED COUNSEL FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served via the Court's ECF System and/or via U.S. First Class Mail, postage paid, on August 1<sup>st</sup>, 2023, to the parties on the attached service list.

/s/ William B. Kingman  
William B. Kingman

8102 Interchange Partners LLC  
15820 Lemoyne Blvd.  
Biloxi, MS 39532-4019

AMA Recovery Group  
3131 Eastside St., #350  
Houston, TX 77098-1947

APAC Packaging & Supply  
4320 Tejasco  
San Antonio, TX 78218-5240

Advantage Platform Services Inc.  
104 E. 25th St.. 10th Fl.  
New York, NY 10010-8201

Bexar County Tax Assessor  
Vista Verde Plaza Building  
233 N. Pecos  
San Antonio, TX 78207

Andrew G. Ramon  
10819 Oak Hollow  
San Antonio, TX 78230-3603

AstroNova  
600 E. Greenwich Ave.  
West Warwick, RI 02893

Business GPS  
183 Keith St.  
Warrenton, VA 20186-3231

CPS Energy - Bankruptcy Section  
500 McCullough  
Mail Drop 110910  
San Antonio, TX 78215

Cal Sierra International, LLC  
c/o Christian Attar  
2302 Fannin St., Ste. 500  
Houston, TX 77002-9136

Capital One  
PO Box 60519  
City of Industry, CA 91716-0519

Centra Leasing  
PO Box 2169  
Gig Harbor, WA 98335

JPMORGAN CHASE BANK N A  
BANKRUPTCY MAIL INTAKE TEAM  
700 KANSAS LANE FLOOR 01  
MONROE LA 71203-4774

Corporation Service Company,  
as Representative  
PO Box 2576  
Springfield, IL 62708-2576

Credit One  
PO Box 98873  
Las Vegas, NV 89193-8873

Discover Card  
PO Box 71242  
Charlotte, NC 28272-1242

Documation  
PO Box 41602  
Philadelphia, PA 19101-1602

Edward Aquifer Authority  
900 E. Quincy  
San Antonio, TX 78215-1440

Esther Gusman  
16403 Ledge Sage St.  
San Antonio, TX 78232-2517

Fincoast Capital LLC  
16850 Collins Ave., Ste. 112616  
Sunny Isles Beach, FL 33160-4238

Firstbank Southwest  
PO Box 32552  
Amarillo, TX 79120-2552

Home Depot  
Dept 32-2219516089 PO Box 9001030  
Louisville, KY 40290-1030

Frost Bank  
Attn: Dywane Shirley  
PO Box 1600  
San Antonio, TX 78296-1600

Fundamental Capital  
20803 Biscayne, Ste. 300  
Aventura, FL 33180-1431

Internal Revenue Service  
Centralized Insolvency Operations  
P.O. Box 7346  
Philadelphia, PA 19101-7346

J&J Waste & Recycling  
1272 FM 1516 S.  
San Antonio, TX 78263-2020

J&J Waste & Recycling  
1272 FM 1516 S.  
San Antonio, TX 78263-2020

LITTFUND INC  
2007 WEST MARTIN STREET  
SAN ANTONIO TX 78207-2630

Maleko Personnel  
24301 Southland, Ste. 400  
Hayward, CA 94545-1550

Monarch Recovery Management  
Attn Compliance  
3260 Tillman Drive, Suite 75  
Bensalem PA 19020-2059



Park Avenue Recovery  
Attn: Rick Jackson  
104 E. 25th St., 10th Fl.  
New York, NY 10010-8201

Penske  
Attn: Susan Brunner  
PO Box 563  
Reading, PA 19603-0563

Petainer  
PO Box 66  
Arnold, MO 63010-0066

Plastipak Packaging  
Global Business & Technology Center  
41605 Ann Arbor Rd.  
Plymouth, MI 48170-4304

Premium Waters  
PO Box 1450  
Minneapolis, MN 55485-1450

Quickbooks Payroll  
2632 Marine Way  
Mountain View, CA 94043-1126

RESILUX America LLC  
265 John B Brooks Rd.  
Pendergrass, GA 30567-4614

Ring Central Inc.  
20 Davis Dr.  
Belmont, CA 94002-3002

Sam's Club  
PO Box 530942  
Atlanta, GA 30353-0942

Sergio & Christine Gusman  
26431 Grey Horse Run  
San Antonio, TX 78260-6281

Spectrum  
PO Box 60074  
City of Industry, CA 91716-0074

Square  
1455 Market St., Ste. 600  
San Francisco, CA 94103-1332

Stephen Schueler  
6804 Sterlington  
Cincinnati, OH 45230

Sunil Bolera  
7114 Oak Ridge Dr.  
San Antonio, TX 78229-3612

Steven B. Bass  
Assistant U.S. Attorney  
903 San Jacinto, Ste. 334  
Austin, TX 78701-2449

T Mobile  
C O American Infosource LP  
4515 N Santa Fe Ave  
Oklahoma City OK 73118-7901

TCS Corp.  
9300 NE Vancouver Mall Dr., Ste. 204  
Vancouver, WA 98662-8206

Texas Comptroller of Public Accounts  
Revenue Accounting Div- BK Section  
P.O. Box 12548, MC-008  
Austin, TX 78711-2548

Texas Workforce Commission  
TWC Building - Regulatory Integrity Div.  
101 East 15th Street  
Austin, TX 78778-0001

U.S. Small Business Administration  
10737 Gateway West, #320  
El Paso, TX 79935-4910

Unishippers  
PO Box 4011  
Greenwood Village, CO 80155-4011

WT Liquidity  
PO Box 701430  
San Antonio, TX 78270-1430